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	HA-09	H - 01	INM-01	INRE-00	INR-01	ITC-01	JUSE-00
	LAB-04	L-03	ADS-00	NSAE-00	NSCE-00	OIG-01	OMB-01
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FM AMEMBASSY SAN JOSE

TO SECSTATE WASHDC PRIORITY 9370

INFO USIA WASHDC 5854

AMEMBASSY GUATEMALA

AMEMBASSY MANAGUA

AMEMBASSY SAN SALVADOR

AMEMBASSY TEGUCIGALPA

AMEMBASSY PANAMA

USCINCSO QUARRY HEIGHTS PM

Dept. of State, RPS/IPS, Margaret P. Grafeld, Dir. () Release () Excise () Deny () Declassify Date 2/27/66 Exemption _______

Dept of State, RPS/IPS, Margaret P. Grafeld, Dir.

() Classify as () Extend as () Downgrade to Date 2/27/01 Declassify on 1/31/18 Reason 1.50

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USCINCSO FOR POLAD

USIA FOR AR - JOHNSON/BAKOTA

E.O. 12356: DECL:OADR

TAGS: PGOV, PREL, ECON, ELAB, SNAR, PREF, CS

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3. OVERVIEW: A CHARACTERLESS MONTH

IT WAS NOT FOR LACK OF TRYING THAT THE SEMI-HOLIDAY MONNH OF JANUARY LACKED CHARACTER. ATTEMPTS TO CREATE POLITICAL SCANDALS FAILED TO EXCITE MUCH INTEREST AND EVEN A CHOLERA SCARE WAS QUICKLY

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CONTRACTOR AL

PAGE 03 SAN JO 00965 01 OF 05 311927Z FORGOTTEN. THE PAUCITY OF HIGH-PROFILE POLITICAL ACTIVITY AND THE FAILURE OF ANY OF THE POTENTIAL SCANDALS TO STICK (AT LEAST FOR NOW) GAVE THE GOCR THE OPPORTUNITY TO CONTINUE PROMOTING THE IDEA (IN INTERVIEWS AND PAID ADS) THAT IT IS MAKING PROGRESS ON THE ECONOMIC FRONT. CHIEF POLICY EVENTS WERE THE OTTAWA PDD PLENARY, THE GOES - FMLN MEXICAN SIGNING CEREMONY AND FM NIEHAUS ATTENDING THE SAN PEDRO SULA CARICOM MEETING. AT MONTH'S END, THE EMBASSY RESPONDED PUBLICLY TO PUBLIC CRITICISM FROM GOVERNMENT/PUBLIC SECURITY MINISTER FISHMAN THAT WE'RE NOT DOING ENOUGH BY WAY OF ANTI-NARCOTICS ASSISTANCE.

4. COSTA RICANS LAUD SALVADOR PEACE ACCORDS

COSTA RICANS WELCOMED THE SALVADOR ACCORD, THE GOCR ISSUING A JANUARY 2 COMMUNIQUE OFFERING TO ASSIST IN AGGEEMENT VERIFICATION AND CALLING FOR RECONSTRUCTION AID. MAJOR DAILIES PRAISED THE CEASE-FIRE COMMITMENT, WITH LA REPUBLICA ADDING THAT THE TRANSFORMING ROLES PLAYED BY OSCAR ARIAS AND JOSE NAPOLEON DUARTE IN THE 198G'S SHOULD NOT BE FORGOTTEN. ARIAS EXPRESSED PLEASURE, WHILE PLUGGING REQUIRED FURTHER DEMILITARIZATION. TRANSITING SAN JOSE TO MANAGUA, FMLN LEADER JOAQUIN VILLALOBOS SAID THAT "THE MOMENT WILL SOON ARRIVE FOR OUR MOVEMENT TO LEGALIZE ITSELF AND TO BE PART OF THE POLITICAL LIFE OF EL SALVADOR SO AS TO PARTICIPATE IN THE NEXT

COMETBERRY

PAGE 04 SAN JO 00965 01 OF 05 311927Z ELECTIONS." BOTH PRESIDENT CALDERON AND ARIAS ATTENDED THE JANUARY 16 SIGNING CEREMONY.

5. NO QUICK EXIT FOR MOST SALVADORAN REFUGEES



LOCAL RELIEF ORGANIZATIONS EXPECT ONLY A FEW HUNDRED OF THE ROUGHLY 6,000 OFFICIAL SALVADORAN REFUGEES HERE TO REPATRIATE QUICKLY. ABOUT 90 PERCENT ARRIVED BEFORE 1982 AND HAVE ESTABLISHED STRONG LOCAL TIES. OVER THE MID- TO LONG-TERM, HOWEVER, WE EXPECT A CONTINUING TRICKLE BACK TO EL SALVADOR AS A LASTING PEACE AND ECONOMIC GROWTH TAKE HOLD-

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FM AMEMBASSY SAN JOSE

TO SECSTATE WASHDC PRIORITY 9371

INFO USIA WASHDC 5855

AMEMBASSY GUATEMALA

AMEMBASSY MANAGUA

AMEMBASSY SAN SALVADOR

AMEMBASSY TEGUCIGALPA

AMEMBASSY PANAMA

USCINCSO QUARRY HEIGHTS PM

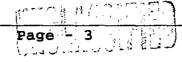
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TAGS: PGOV, PREL, ECON, ELAB, SNAR, PREF, CS



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SAN JO 00965 02 OF 05 311933Z SUBJECT: MONTHLY POLITICAL WRAP-UP. JANUARY

6. CIS FALLOUT

EX-SOVIET AMBASSADOR VALERIA KALMIK, NOW THE RUSSIAN ENVOY, WAS MUCH IN THE NEWS, PORTRAYING HERSELF AS A CHAMPION OF DEMOCRACY AND THE FREE MARKET. KALMIK ALSO EXPLAINED THAT SHE NOW HAS RESPONSILILITY FOR CARRYING OUT REQUESTS BY NON-RUSSIAN CIS MEMBERS. THIS CAPACITY, SHE WAS COORDINATING A TICO CHILDREN'S CHOIR TOUR OF UKRAINE AND NOTIFYING SAN JOSE THAT ALMA-ATA WAS ABROGATING ITS SISTER CITY ACCORD. ON ANOTHER FRONT, GOCR OFFICIALS SAID THAT SIXTY COSTA RICANS HAVE ALREADY GIVEN UP THEIR STUDIES IN THE FORMER SOVIET UNION DUE TO STIPEND CUTOFFS AND THAT AS MANY AS 200 MORE MAY RETURN SHORTLY.

FIRST CHOLERA CASE APPEARS, SORT OF

ON JANUARY 7, HEALTH AUTHORITIES ANNOUNCED THE FIRST COSTA RICAN CHOLERA CASE. ALAJUELA RESIDENT MARTHA CHAVES GAINED THIS DUBIOUS DISTINCTION, CONTRACTING THE DISEASE WHILE VACATIONING IN ECUADOR. THOUGH SHE WAS NOT INFECTED HERE, HEALTH OFFICIALS AND THE PRESS STRESSED THE NEED FOR REDOUBLED VIGILANCE, AND SOME POINTED OUT THAT ALAJUELA'S WATER SUPPLY IS OF DOUBTFUL QUALITY. CHAVES, PERHAPS MOTIVATED BY THREATENING PHONE CALLS BLAMING HER FOR BRINGING THE THE TERMINI LAND

PAGE 03 SAN JO 00965 02 OF 05 311933Z DISEASE TO COSTA RICA, DENIED SHE HAD CHOLERA. PLN CONGNESSWOMAN DAISY SERRANO BACKED HER, SAYING THE GOCR CONCOCTED THE CASE TO TAKE THE SPOTLIGHT OFF ITS FAILURE TO CONTROL A MEASLES OUTBREAK.

NARCO LAZARO ABEL: BRING HIM BACK

THE SALA IV RULED JANUARY 15 THAT THE JUNE 1991 DEPORTATION TO THE U.S. OF CUBAN-BORN U.S. CITIZEN LAZARO ABEL (SEE 91 SAN JOSE 6822) VIOLATED THE CONSTITUTION. THE COURT ORDERED ABEL, ACCUSED OF BEING A NARCOTICS TRAFFICKER, RETURNED TO COSTA RICA AND SET FREE. IT ALSO CALLED FOR THE GOOR TO PAY COMPENSATION. PUBLIC SECURITY/GOVERNMENT MINISTER FISHMAN RESPONDED THAT, WHILE HE RESPECTS THE COURT, HE DISAGREES WITH IT SINCE THE LAW UNDER WHICH ABEL WAS DEPORTED WAS RULED UNCONSTITUTIONAL ONLY AFTER HE WAS SENT TO THE U.S. CALDERON CALLED THE RULING "STRANGE," BUT SAID HE WOULD COMPLY WITH IT DESPITE BELIEVING THAT "NO ONE WILL RETURN" ABEL. SINCE THE COURT FINDING, ABEL'S ATTORNEY HAS FILED FOR 45 MILLION COLONS LN DAMAGES AGAINST THE GOCR AND USD 10 MILLION FROM U.S. EMBASSY CONSULAR OFFICIALS WHO AUTHENTICATED DOCUMENTS USED IN THE DEPORTATION. ON ANOTHER NARCO FRONT (SEE DECEMBER MONTHLY), MARIO VALVERDE MADE BAIL.

9. COTO RE-ELECTED PLN SECRETARY GENERAL

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PLN SECRELAKY GENERAL WALTER COTO WAS RE-ELECTED JANUARY 18 WITH 81 OF 134 NATIONAL ASSEMBLY VOTES. FOLLOWING ALONG THE FOUR OTHER CANDIDATES WERF CONGRESSMAN EDGAR UGALDE (29 VOTES) AND PARTY ACTIVIST GUILLERMO SANDOVAL (21). COTO EMERGED VICTORIOUS WITH THE BACKING OF PARTY PRESIDENT CASTLLLO AND LEADING PRE-CANDIDATE FIGUERES. UGALDE AND SANDOVAL BOTH HAD BACKING FROM INDEPENDENTS AND PRO-MONGE AND ARAYA DELEGATES.

10. CUBA: WIDESPREAD DISAPPROVAL

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LAB-04 L-03 ADS-00 NSAE-00 NSCE-00 OIG-01 OMB-01 OPIC-08 PA-01 PM-01 PRS-01 P-01 RP-10 SIL-01 SNP-01 SP-01 SS-01 STR-20 TRSE-00 T-01 FMP-01 /098W

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FM AMEMBASSY SAN JOSE
TO SECSTATE WASHDC PRIORITY 9372
INFO USIA WASHDC 5856
AMEMBASSY GUATEMALA
AMEMBASSY MANAGUA
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AMEMBASSY TEGUCIGALPA

AMEMBASSY PANAMA

USCINCSO QUARRY HEIGHTS PM

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INCREASING ATTENTION WAS PAID TO CUBA DURING JANUARY. COMING ON THE HEELS OF A NOVEMBER 28 LETTER (91 SAN JOSE 12073/NOTAL) TO CASTHO FROM FIVE FORMER PRESIDENTS CALLING FOR HUMAN RIGHTS ON THE ISLAND, 48 (OF 57) CONGRESSMEN PRODUCED A JANUARY 18 DECLARATION CALLING FOR HUMAN RIGHTS/FREE ELECTIONS AND ASKING THAT THE DEATH PENALTY NOT BE APPLIED AGAINST THREE ARRESTED EXILES. OSCAR ARIAS, ONE OF THE FIVE PRESIDENTIAL SIGNERS, LAMBASTED CASTRO ON JANUARY 16 SAYING THAT "COMANDANTE FIDEL CASTRO CONTINUES (LIVING) IN 1959, HAVING LOST THE NOTION OF TIME." FOLLOWING THE TRAGIC EXECUTION OF ONE OF THE THREE CUBANS, FM NIEHAUS CALLED FOR INTERNATIONAL CONDEMNATION OF THE ACT AND A "COMPLETE CHANGE" IN THE CASTRO REGIME. THE MUTED RESPONSE OF FIDEL'S LOCAL CHAMPIONS WAS LEFT TO LONG-TIME COMMUNIST ARNOLDO FERRETO, WHO CONCLUDED THAT "THE CONDUCT OF FIDEL CASTRO IS THE PRIDE OF THE AMERICAS." MEANWHILE, THE MFA PRIVATELY SOUGHT OUR VIEWS ON AN IDEA IT HAS TO CONVENE HERE A CONFERENCE OF CUBAN EXILE GROUPS.

11. IBESA: A BUILDING CONTROVERSY

A CONTROVERSY BROKE OUT THIS MONTH OVER THE DECEMBER

TOTAL BANGOTT

PAGE 03 SAN JO 00965 03 OF 05 311935Z ACQUISITION OF A NEW BUILDING FOR THE FINANCE MINISTRY FROM THE EXECUTOR FOR THE BANKRUPT YAZDANI GROUP. THE IRANIAN YAZDANI FAMILY, OPERATING UNDER THE IBESA NAME, RAN A NUMBER OF CONCERNS PRIOR TO DECLARING BANKRUPTCY IN 1988. CRITICS CHARGED THAT THE BUILDING WAS ILLEGALLY BOUGHT, IS INADEOUATE FOR THE MINISTRY OR ITS BRANCHES AND WAS PURCHASED AS A POLITICAL FAVOR. PLN CONGRESSMEN NOTE THE IRANIANS HAVE TIES TO THE PUSC, THOUGH IT HAS NOT YET BEEN PUBLISHED THAT CALDERON WAS THEIR ATTORNEY FOR MANY YEARS. THE PLN DEPUTIES ALSO THREATEN LEGAL ACTION TO BLOCK THE PURCHASE. THE PRESIDENT (WHO ADMITTED MEETING THE EXECUTOR -- PUSC POLLSTER AND CENTRAL BANK OFFICIAL MAGGIE BREEDY -- TWICE BEFORE THE GOCR CLOSED THE DEAL), REPLIED THAT THE TRANSACTION WAS LEGAL AND, IN ANY CASE, THE MONEY SPENT WAS GOING TO CREDITORS AND NOT TO THE YAZDANI'S.

12. NARCO COMMISSION INTERVIEWS CALDERON/ARIAS

PRESLDENT CALDERON SPOKE TO A PUBLIC SESSION OF THE LEGISLATIVE ASSEMBLY'S SPECIAL NARCOTICS COMMISSION FOR ALMOST THREE HOURS JANUARY 20. AS HE HAS BEFORE, CALDERON DENIED KNOWINGLY RECEIVING ANY CAMPAIGN CONTRIBUTIONS FROM TRAFFICKERS. HE ALSO REJECTED CHARGES BY JOSE BLANDON THAT HE RECEIVED \$500,000 FROM NORIEGA FOR THE 1986 RACE, PROVIDING THE COMMISSION A TELEX FROM EX-PANAMANIAN PRESIDENT DELVALLE BACKING HIM UP.

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PAGE 04 SAN JO 00965 03 OF 05 311935Z ON JANUARY 30, THE COMMISSION MET WITH OSCAR ARIAS FOR FIVE AND ONE-HALF HOURS IN A CONTENTIOUS, WELL-PUBLICIZED SESSION. ARIAS ADMITTED RECEIVING 20,000 THOUSANDS FROM THE U.S. FIRM OCEAN HUNTER BUT CLAIMED THAT THE FIRM IS NOT INVOLVED WITH NARCOTICS. HE ALSO ADMITTED RECEIVING MONEY FROM THE PANAMANIAN PRD BUT POINTED OUT THAT NORIEGA'S INVOLVEMENT IN DRUG TRAFFICKING WAS NOT KNOWN AT THAT TIME. ONE PAPER HAS ARIAS ASCRIBING THE EFFORT TO DISCREDIT HIM TO HIS OPPOSITION TO "CIA-RUN" U.S. SUPPORT OF THE NICARAGUAN CONTRAS, BUT HIS WRITTEN STATEMENT, PUBLISHED UNION TO STATEMENT OF WHAT HE DID AND DID NOT DO STATEMENT, PUBLISHED JANUARY 31, IS A STRAIGHTFORWARD

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FM AMEMBASSY SAN JOSE

TO SECSTATE WASHDC PRIORITY 9373

INFO USIA WASHDC 5857

AMEMBASSY GUATEMALA

AMEMBASSY MANAGUA

AMEMBASSY SAN SALVADOR

AMEMBASSY TEGUCIGALPA

AMEMBASSY PANAMA

USCINCSO QUARRY HEIGHTS PM

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NEVER THE BEST OF BUDDIES, THE PLN AND LEADING DAILY LA NACION HAD A STRIDENT MONTH. LIBERATION'S POLITICAL DIRECTORATE CHARGED THAT LA NACION WAS OUT TO "DISCREDIT" THE PARTY. THE NEWSPAPER, THE PLN SAID, HAD SEEKING THIS SINCE THE PARTY'S FOUNDING FORTY YEARS AGO. THE MOTIVE? THE PLN FIGHTS FOR SOCIAL JUSTICE, WHEREAS LA NACION IS A TOOL OF THE "POWERFUL." UNSURPRISINGLY, LA NACION REJECTED THE CHARGES, ADDING THAT THE PLN SHOULD CONCERN ITSELF LESS WITH THE INDEPENDENT MEDIA THAN WITH ITS OWN INTERNAL CORRUPTION AND TIES TO NARCOTRAFFICKERS. OVERLAID ON THIS PARTY - PAPER BATTLE WAS A WRITTEN SHOUTING MATCH BETWEEN PLN SECGEN COTO ("COLORLESS, BORING AND SHRILL") AND LA NACION CHIEF COLUMNIST JULIO RODRIGUEZ ("VENOMOUS").

14. CALDERON'S FUTURE TRAVELS

THOUGH CRITICIZED FOR TRAVELING TOO MUCH, THE PRESIDENT IS PLANNING A BUSY 1992 FOREIGN SCHEDULE. HE WILL VISIT HONDURAS FEBRUARY 10-11. LESS THAN A MONTH LATER, HE MAKES A SOUTH AMERICA SWING, VISITING COLOMBIA (MARCH 2-4), CHILE (MARCH 4-7) AND POSSIBLY ARGENTINA. JUNE 4-5, CALDERON ATTENDS THE MANAGUA PRESIDENTIAL SUMMIT AND IS OFF LATER THAT MONTH TO TO RIO FOR THE UN ENVIRONMENT CONFERENCE. IN JULY, CALDERON WILL ATTEND THE MADRID IBERO-AMERICAN

PAGE 03 SAN JO 00965 04 OF 05 311938Z SUMMIT. THE FINAL TRIP SO FAR SCHEDULED WILL TAKE CALDERON TO GUATEMALA IN DECEMBER FOR THE 13TH REGIONAL "CUMBRE." FM NIEHUAS WILL ACCOMPANY THE PRESIDENT ON MANY OF THESE JOURNEYS, ALSO GOING TO LISBON FEBRUARY 27-28 FOR SAN JOSE VIII AND TO THE UNHRC GENEVA MEETING FEBRUARY 24-25. NIEHAUS ALSO WILL ATTEND THE OAS GENERAL ASSEMBLY IN THE BAHAMAS MAY 26-29.

15. LABOR: THE EMPTY CHAIR

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UNIONISTS GATHERED IN PLAZA DE LA CULTURA JANUARY 22 TO CRITICIZE PALTRY PUBLIC SECTOR WAGE INCREASES AND RISING PRICES. PRESIDENT CALDERON DECLINED AN INVITATION TO ATTEND AND HEAR WORKERS' COMPLAINTS. IN HIS ABSENCE, DEMONSTRATORS DIRECTED QUESTIONS AND CRITICISMS TO AN EMPTY CHAIR. "THE PRESIDENT WON'T SIT DOWN WITH THE PEOPLE," DECLARED ONE OF THE RALLY'S LEADERS, "BUT HE'LL SURE SIT DOWN WITH THE IMF." UNION ESTIMATES PUT THE CROWD AT 1500; OUR ESTIMATE IS 300. LABOR IS THREATENING A MARCH FOR MID-FEBRUARY AND A GENERAL STRIKE "IF NECESSARY" SOME

TWO WEEKS LATER BUT IS CLEARLY HAVING TROUBLE GINNING UP ENTHUSIASM FOR PRESSURING THE GOVERNMENT IN THIS WAY.

______ 16. EMBASSY REPLIES TO CRITICISM OF NARCOTICS AID

ONFIDENCEAL

PAGE 04 SAN JO 00965 04 OF 05 311938Z IN RECENT WEEKS GOVERNMENT AND PUBLIC SECURITY MINISTER LUIS FISHMAN HAS PUBLICLY FAULTED U.S. COUNTERNARCOTICS POLICY FOR NOT PAYING ENOUGH ATTENTION TO TRANSIT COUNTRIES AND FOR "ABANDONING COSTA RICA." UNTIL NOW AND TO AVOID A PUBLIC DISPUTE, THE EMBASSY HAD NOT RESPONDED. BUT IN LIGHT OF FISHMAN'S PERSISTANCE AND GROWING PUBLIC INTEREST, THE EMBASSY PUBLISHED AN EXPLANATION OF OUR PROGRAM SIGNED BY THE AMBASSADOR IN LEADING LA NACION JANUARY WITH ONLY A HINT OF POLEMICS, IT EMPHASIZES OUR COMMITMENT TO COSTA RICA'S COUNTERDRUG EFFORTS AND DESCRIBES BILATERAL AID IN DETAIL -- A NOT UNIMPRESSIVE LIST WHEN THE CBRN RADAR, TWO PATROL BOATS, DEA TRAINING COURSES, AID-FUNDED PUBLIC EDUCATION PROGRAMS AND OTHER SUCH AID IS ADDED TO INM-FUNDED ASSISTANCE. ASKED FOR COMMENT BY LA NACION, FISHMAN BACKED OFF -- THE LAST THING HE WANTS

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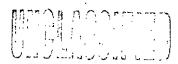
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FM AMEMBASSY SAN JOSE
TO SECSTATE WASHDC PRIORITY 9374
INFO USIA WASHDC 5858
AMEMBASSY GUATEMALA
AMEMBASSY MANAGUA
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AMEMBASSY TEGUCIGALPA
AMEMBASSY PANAMA
USCINCSO QUARRY HEIGHTS PM



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TO DO IS "FIGHT WITH FRIENDS."

17. OUTLOOK AND UPCOMING EVENTS

THE GOCR WILL CONTINUE PUSHING ITS LEGISLATIVE AGENDA -- ESPECIALLY PENSION REFORM AND ELIMINATION OF TAX EXEMPTIONS -- IN FEBRUARY. ATTENTION ALSO WILL FOCUS ON WHETHER THE ECONOMY IS IMPROVING AS THE GOVERNMENT CLAIMS. LABOR WILL BE HARD PRESSED TO COME THROUGH ON ITS DEMONSTRATION/NATIONAL STRIKE THREATS. TALKS WITH VENEZUELA ON A FREE TRADE PACT BEGIN FEBRUARY 17, ELEVEN DAYS AFTER REGIONAL ECON VICE MINISTERS MEET IN EL SALVADOR WITH MEXICO'S TRADE MINISTER TO DISCUSS AN ACCORD. THE PLN RACE MAY HEAT UP AND COMMENTARY OVER THE MARCH FIGUERES - ROMERO LIBEL TRIAL (OVER THE ROMERO'S CHARGE THAT JOSE MARIA KILLED A SMALL TIME DRUG TRAFFICKER IN 1973) MAY BEGIN IN EARNEST.

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*** Current Handling Restrictions *** n/a

*** Current Classification *** CONFIDENTIAL

